

Village of Albany, Louisiana
Annual Financial Statements

As of June 30, 2006 and for the Year Then Ended

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-24-07

LEROY J. CHUSTZ
CERTIFIED PUBLIC ACCOUNTANT
A Professional Accounting Corporation

Village of Albany, Louisiana
Annual Financial Statements
As of June 30, 2006 and for the Year Then Ended
With Supplemental Information Schedules

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Village of Albany, Louisiana
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Independent Auditor's Report on the Basic Financial Statements

The Honorable Mayor Thomas Stewart
and Members of the Board of Aldermen
Village of Albany, Louisiana

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Albany, Louisiana as of and for the year ended June 30, 2006, which collectively comprise the Village's Basic Financial Statements as listed in the table of contents. These financial statements are the responsibility of the Village of Albany, Louisiana's management. My responsibility is to express my opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Albany, Louisiana, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards*, I have also issued my report dated December 6, 2006 on my consideration of the Village of Albany, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The management's discussion and analysis, budgetary comparison information, and other supplemental schedules on pages 8 through 16, and 51 through 69 of this report are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

Leroy J. Chustz
Certified Public Accountant
December 6, 2006

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Required Supplemental Information (Part I)

Management's Discussion and Analysis

Village of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2006

Introduction

The Village of Albany, Louisiana (the Village) is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), and related standards. Although the Village was not required to implement GASB 34 until the fiscal year ending June 30, 2004, management elected early implementation in the fiscal year ending June 30, 2002 to provide financial statement users a more detailed and comprehensive analysis of the Village's financial performance. This is the fourth year of presentation under the new GASB 34 format.

The Village's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Village's financial activity, (c) identify changes in the Village's financial position, (d) identify any significant variations from the Village's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Village's financial statements on pages 19 through 32 of this report.

Financial Highlights

- At June 30, 2006, the Village's assets exceeded its liabilities by \$3,104,084 (net assets). Of this amount, \$358,347 (unrestricted net assets) may be used to meet the Village's ongoing obligations to its citizens.
- For the year ended June 30, 2006, the Village's total net assets increased by \$58,827, after the effect of a prior period adjustment decreasing net assets by \$15,672.
- At June 30, 2006, the Village's governmental funds reported combined ending fund balances of \$142,514, a increase of \$53,095 for the year. Of this amount, 100% is available for spending at the Village's discretion (unreserved fund balances).
- At June 30, 2006, the Village's proprietary funds reported combined ending net assets of \$2,651,945, an increase of \$762,269, for the year. Of this amount, approximately 8.1%, or \$215,833, is available for spending at the Village's discretion (unrestricted net assets).

Overview of the Annual Financial Report

The financial statement focus is on both the Village as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Village's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

Village of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2006

The MD&A is intended to serve as an introduction to the Village's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private-sector business. Governmental and business-type activities are presented in separate columns along with a total column for the primary government.

The Statement of Net Assets presents information on the Village's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net assets. Over time, the increases or decreases in net assets and changes in the components of net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the Village's net assets changed during the most recent fiscal year, focusing on both the gross and net costs of various activities, both governmental and business-type, that are supported by the Village's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

In both of the government-wide financial statements, the Village's activities are divided into two types:

- Governmental activities - Most of the Village's basic services are reported here, including general government, public safety, highways and streets, and sanitation. These activities are financed primarily by property taxes, franchise taxes, sales taxes, and fines.
- Business-type activities - The Village charges a fee to customers to help it cover all of the cost of the services provided. The Village's water, and sewer utility systems are reported in this section.

The government-wide financial statements include the Village of Albany, Louisiana (primary government) only and can be found on pages 19 through 21 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Village uses two categories of funds to account for financial transactions: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Village of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2006

Governmental funds are used to account for most of the Village's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. The basic governmental fund financial statements can be found on pages 23 through 26 of this report.

Proprietary funds account for water, and sewer utility services provided by the Village to its customers. Proprietary funds statements provide the same type of information as the government-wide financial statements, but the fund presentation provides more detail. The basic proprietary fund financial statements can be found on pages 27 through 32 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Village's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations can be found on pages 24 and 26 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34 through 50 of this report.

Village of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2006

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Village's net assets for the current year as compared to the prior year. For more detailed information, see the Statement of Net Assets on page 19 of this report.

Net Assets June 30, 2006 and 2005

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets:						
Current and Other Assets	\$ 227,971	\$ 131,414	\$ 627,237	\$ 553,777	\$ 855,208	\$ 685,191
Capital Assets	309,625	1,031,938	3,357,020	2,686,649	3,666,645	3,718,587
Total Assets	<u>537,596</u>	<u>1,031,938</u>	<u>3,984,257</u>	<u>3,240,426</u>	<u>4,521,853</u>	<u>4,403,778</u>
Liabilities:						
Long-Term Debt						
Outstanding	-	-	1,190,245	1,223,704	1,190,245	1,223,704
Other Liabilities	85,457	41,995	142,067	92,822	227,524	134,817
Total Liabilities	<u>85,457</u>	<u>41,995</u>	<u>1,332,312</u>	<u>1,316,526</u>	<u>1,417,769</u>	<u>1,358,521</u>
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	309,625	1,031,938	2,166,775	1,462,945	2,476,400	2,494,883
Restricted	-	-	269,337	296,945	269,337	296,945
Unrestricted	142,514	89,419	215,833	164,010	358,347	253,429
Total Net Assets	<u>\$ 452,139</u>	<u>\$ 1,121,357</u>	<u>\$ 2,651,945</u>	<u>\$ 1,923,900</u>	<u>\$ 3,104,084</u>	<u>\$ 3,045,257</u>

Approximately 80% of the Village's net assets reflects its investment in capital assets (land, buildings, equipment, infrastructure, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Approximately 9% of the Village's net assets represents resources that are subject to external restriction on how they may be used. The Village's restricted net assets consist of cash reserves required by revenue bond agreements and cash for customer deposits net of corresponding liabilities.

Approximately 11% of the Village's net assets are unrestricted and may be used to meet the Village's ongoing obligations to its citizens.

Village of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2006

At the end of the current fiscal year, the Village was able to report positive balances in all three categories of net assets, both for the Village as a whole, as well as for separate governmental and business-type activities. The same held true for the prior fiscal year.

The Village's activities increased its total net assets by \$58,827, with governmental activities decreasing net assets by \$669,218 and business-type activities increasing net assets by \$728,045. The increase in business-type assets is due primarily to LCDBG water improvements programs.

In order to further understand what makes up the changes in net assets, the following table provides a summary of the results of the Village's activities for the current year as compared to the prior year. An analysis of the primary sources of these changes follows the table. For more detailed information, see the Statement of Activities on pages 20 and 21 of this report.

Changes in Net Assets For the Years Ended June 30, 2006 and 2005

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program Revenues:						
Charges for Services	\$ 83,661	\$ 102,954	\$ 472,466	\$ 431,719	\$ 556,127	\$ 534,673
Operating Grants and Contributions	17,093	2,091	-	-	17,093	2,091
Capital Grants and Contributions	61,870	435,251	-	-	61,870	435,251
General Revenues:						
Sales Taxes	161,619	125,516	-	-	161,619	125,516
Ad Valorem Taxes	24,634	24,260	-	-	24,634	24,260
Alcoholic Beverage Taxes	1,572	1,354	-	-	1,572	1,354
Franchise Taxes	35,548	34,873	-	-	35,548	34,873
Interest Income	3,869	1,000	19,309	8,316	23,178	9,316
Rental Income	4,223	3,000	-	-	4,223	3,000
Other Revenues	501	8,494	-	-	501	8,494
State Supplemental Pay	7,200	-	-	-	7,200	-
FEMA Reimbursements	28,670	-	42,102	-	70,772	-
Insurance Settlement-Katrina	8,445	-	-	-	8,445	-
Total Revenues	<u>438,905</u>	<u>738,793</u>	<u>533,877</u>	<u>440,035</u>	<u>972,782</u>	<u>1,178,828</u>
Expenses:						
General and Administrative	175,917	138,997	-	-	175,917	138,997
Police Department	126,476	129,142	-	-	126,476	129,142
Street Department	45,285	37,078	-	-	45,285	37,078
Water, and Sewer Utility	-	-	550,605	478,065	550,605	478,065
Miscellaneous Non-Oper Exp.	-	-	-	78	-	78
Total Expenses	<u>347,678</u>	<u>305,217</u>	<u>550,605</u>	<u>478,143</u>	<u>898,283</u>	<u>783,360</u>
Change in Net Assets						
Before Transfers	91,227	433,576	-16,728	-38,108	74,499	395,468
Transfers	<u>-760,445</u>	<u>12,700</u>	<u>760,445</u>	<u>-12,700</u>	<u>-</u>	<u>-</u>
Change in Net Assets	-669,218	446,276	743,717	-50,808	74,499	395,468
Net Assets, Beginning	1,121,357	675,081	1,908,228	1,974,708	3,029,585	2,649,789
Net Assets, Ending	<u>\$ 452,139</u>	<u>\$ 1,121,357</u>	<u>\$ 2,651,945</u>	<u>\$ 1,923,900</u>	<u>\$ 3,104,084</u>	<u>\$ 3,045,257</u>

Village of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2006

Governmental Activities

The Village's governmental net assets decreased by \$669,218, to \$452,139 at June 30, 2006. The change in net assets is due primarily to the effect of the transfer of \$760,445 for the Louisiana Community Development Block Grant project for water system improvements to the water department of the enterprise fund. The overall effect of the decrease was reflected most in governmental revenues as noted below.

The overall decrease of \$299,888 in governmental revenues was due primarily to a \$373,381 decrease in LCDBG revenues as the project was closed; although there were increases of \$37,115 for FEMA grants and reimbursements, and \$36,103 for sales tax collections. Expenses increased by \$42,461 with increases due primarily to expenses related to Hurricane Katrina.

Business-Type Activities

The Village's business-type net assets increased by \$728,045 of the prior year ending net assets, to \$2,651,945. The increase is due primarily to operating transfers of \$760,455 for LCDBG improvements to the water system.

Charges for services, consisting primarily of water charges, increased by \$40,747.

The increase in expenses of \$72,462 is due primarily to a general increase in operating expenses.

Fund Financial Analysis

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Village's net resources available for spending at the end of the year. The basic governmental fund financial statements can be found on pages 23 through 26 of this report.

At the end of the current year, the Village's governmental funds reported combined ending fund balances of \$142,514, all of which are unreserved and available for spending at the Village's discretion. This represents an increase of \$53,095 from the prior fiscal year.

Village of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2006

The general fund is the chief operating fund of the Village. At the end of the current year, the fund balance of \$142,514 was attributable to the general fund. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The total fund balance of \$142,514 for the general fund, which is unreserved, represents 45% of total general fund expenditures before transfers.

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budgetary Highlights

The Village of Albany demonstrated legal compliance by adopting and amending its budget in accordance with provisions of the Local Government Budget Act. As required by state law, actual revenues and other sources were within 5% of budgeted revenues and other sources, and actual expenditures did not exceed budgeted expenditures and other uses by 5%.

For the general fund, actual revenues and other sources exceeded final budgeted amounts by \$34,093. Actual expenditures and other uses were over the final budgeted amounts by \$26,833.

For the general fund, original budgeted revenues and other sources were \$324,900 and final budgeted revenues and other sources were \$344,022. The primary change from original budget for revenues was an increase of \$35,932 for insurance and FEMA reimbursements for Hurricane Katrina. Original budgeted expenditures and other uses were \$312,800 and final budgeted expenditures and other uses were \$317,760.

Capital Assets and Debt Administration

Capital Assets

The Village elected early implementation of GASB 34 in the fiscal year ending June 30, 2002. However, as a Phase III government (a government with annual revenues of less than \$10 million), the Village elected not to retroactively report infrastructure assets prior to implementation. Historically, a government's largest group of assets, infrastructure assets (roads, bridges, street lighting, etc.) have not been reported nor depreciated in governmental financial statements. Beginning with the fiscal year ended June 30, 2002, these assets are now valued and reported within the governmental activities column of the government-wide financial statements.

The Village's investment in capital assets for its governmental and business-type activities as of June 30, 2006 amounts to \$3,666,645 (net of depreciation). The total decrease in the Village's investment in capital assets for the current fiscal year was \$51,942 (net of depreciation).

Village of Albany, Louisiana

Management's Discussion and Analysis As of and for the Year Ended June 30, 2006

Major capital asset events during the current year included an increase of \$761,578 in Louisiana Community Development Block Grant (LCDBG) Program for water system improvements, additional water system improvements of \$20,371, and the purchase of sewer pumps and lift stations totaling \$21,249. The increase in LCDBG improvements for the enterprise fund was reflected as a decrease in the governmental fund (capital project fund) as construction was completed and the value of the water project recorded in the enterprise fund.

The following table provides a summary of the Village's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 7 to the financial statements on pages 43 and 44 of this report.

Capital Assets (Net of Depreciation) June 30, 2006 and 2005

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 10,350	\$ 10,350	\$ 50,429	\$ 50,429	\$ 60,779	\$ 60,779
Buildings	93,650	93,650	35,430	34,480	129,080	128,130
Improvements	20,938	20,070	-	-	20,938	20,070
Vehicles and Equipment	98,516	96,588	108,547	108,548	207,063	205,136
Infrastructure	196,194	196,194	-	-	196,194	196,194
Construction in Progress	-	699,655	-	-	-	699,655
Water Utility System	-	-	1,897,038	1,115,089	1,897,038	1,115,089
Sewer Utility System	-	-	3,125,066	3,103,817	3,125,066	3,103,817
Accumulated Depreciation	(110,023)	(84,569)	(1,859,490)	(1,725,714)	(1,969,513)	(1,810,283)
Capital Assets, Net	<u>\$ 309,625</u>	<u>\$ 1,031,938</u>	<u>\$ 3,357,020</u>	<u>\$ 2,686,649</u>	<u>\$ 3,666,645</u>	<u>\$ 3,718,587</u>

Long-Term Debt

At June 30, 2006, the Village had total debt outstanding of \$1,190,245. Of this total, \$28,919 is due within one year and \$1,161,326 is due within greater than one year. The following table provides a summary of the Village's outstanding debt at the end of the current year as compared to the prior year. For more detailed information, see Note 12 to the financial statements on pages 46 and 47 of this report.

Village of Albany, Louisiana

**Management's Discussion and Analysis
As of and for the Year Ended June 30, 2006**

**Outstanding Debt
June 30, 2006 and 2005**

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Capital Leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bonds	-	-	1,190,245	1,223,704	1,190,245	1,223,704
Total Outstanding Debt	\$ -	\$ -	\$ 1,190,245	\$ 1,223,704	\$ 1,190,245	\$ 1,223,704

Other Factors Affecting the Village

The Village of Albany's management approach is conservative. When possible, the Mayor and Aldermen attempt to provide services for the Village based on existing revenues and to finance long-term projects only when absolutely necessary. The Village also attempts to keep utility rates at the minimum required to cover the costs of utility system operation, but may be required to consider increases in rates for sewer services because of increased costs of operations including costs imposed by governmental agencies.

Contacting the Village's Financial Management

This financial report is designed to provide the Village's citizens, taxpayers, creditors and investors with a general overview of the Village's finances and show the Village's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Village of Albany, Post Office Box 1000, Albany, Louisiana 70711, telephone (225) 567-1101.

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Basic Financial Statements

Government-Wide Financial Statements

Village of Albany, Louisiana

Statement A

Statement of Net Assets
June 30, 2006

	Governmental Activities	Business - Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 168,279	\$ 169,870	\$ 338,149
Taxes Receivable	8,864	-	8,864
Accounts Receivable, Net	-	68,857	68,857
Due From Other Funds	19,760	44,110	63,870
Due From Other Governments	31,044	-	31,044
Other Receivables	24	-	24
Restricted Cash and Cash Equivalents	-	344,400	344,400
Land	10,350	50,429	60,779
Capital Assets, Net	299,275	3,306,591	3,605,866
Total Assets	<u>537,596</u>	<u>3,984,257</u>	<u>4,521,853</u>
Liabilities			
Accounts Payable	23,067	28,887	51,954
Other Accrued Expenses	14,766	93	14,859
Accrued Salary Payable	736	644	1,380
Accrued Interest Payable	-	16,536	16,536
Accrued Vacation	2,778	757	3,535
Due To Other Funds	44,110	19,761	63,871
Due To DHH	-	326	326
Customer Deposits	-	75,063	75,063
Current Portion of Long-Term Debt:			
Revenue Bonds Payable	-	28,919	28,919
Long-Term Debt:			
Revenue Bonds Payable	-	1,161,326	1,161,326
Total Liabilities	<u>85,457</u>	<u>1,332,312</u>	<u>1,417,769</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	309,625	2,166,775	2,476,400
Restricted for Debt Service	-	269,337	269,337
Unrestricted	142,514	215,833	358,347
Total Net Assets	<u>\$ 452,139</u>	<u>\$ 2,651,945</u>	<u>\$ 3,104,084</u>

The accompanying notes are an integral part of this financial statement.

Village of Albany, Louisiana

**Statement of Activities
For the Year Ended June 30, 2006**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General and Administrative	\$ 175,917	\$ 61,331	\$ 17,093	\$ 1,080
Police Protection	126,476	22,330	-	-
Street Department	45,285	-	-	-
LCDBG Project	-	-	-	60,790
Total Governmental Activities	<u>347,678</u>	<u>83,661</u>	<u>17,093</u>	<u>61,870</u>
Business -Type Activities:				
Water Utility	307,594	365,529	-	-
Sewer Utility	243,011	106,937	-	-
Total Business-Type Activities	<u>550,605</u>	<u>472,466</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 898,283</u>	<u>\$ 556,127</u>	<u>\$ 17,093</u>	<u>\$ 61,870</u>

General Revenues:

Taxes:

Property Taxes

Franchise Taxes

Sales Taxes

Alcoholic Beverage Tax

Interest Income

Rental Income

Miscellaneous

FEMA Reimbursements

Insurance Settlement-Katrina

State Supplemental Pay

Operating Transfers In (Out)-LCDBG

Total General Revenues

Change in Net Assets

Net Assets, Beginning of Year

Before Prior Period Adjustment

Prior Period Adjust. (Note 19)

Net Assets, Beginning of Year

After Prior Period Adjustment

Net Assets, Ending

The accompanying notes are an integral part of this financial statement.

Statement B

Net (Expense) Revenue and
Changes in Net Assets

<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
\$ -96,413	\$ -	\$ -96,413
-104,146	-	-104,146
-45,285	-	-45,285
<u>60,790</u>	<u>-</u>	<u>60,790</u>
<u>-185,054</u>	<u>-</u>	<u>-185,054</u>
-	57,935	57,935
-	-136,074	-136,074
<u>-</u>	<u>-78,139</u>	<u>-78,139</u>
<u>-185,054</u>	<u>-78,139</u>	<u>-263,193</u>
24,634	-	24,634
35,548	-	35,548
161,619	-	161,619
1,572	-	1,572
3,869	19,309	23,178
4,223	-	4,223
501	-	501
28,670	42,102	70,772
8,445	-	8,445
7,200	-	7,200
<u>-760,445</u>	<u>760,445</u>	<u>-</u>
<u>-484,164</u>	<u>821,856</u>	<u>337,692</u>
<u>-669,218</u>	<u>743,717</u>	<u>74,499</u>
1,121,357	1,923,900	3,045,257
<u>-</u>	<u>-15,672</u>	<u>-15,672</u>
<u>1,121,357</u>	<u>1,908,228</u>	<u>3,029,585</u>
\$ <u>452,139</u>	\$ <u>2,651,945</u>	\$ <u>3,104,084</u>

Basic Financial Statements

Fund Financial Statements

Village of Albany, Louisiana

Statement C

Balance Sheet
Governmental Funds
June 30, 2006

	General Fund	LCDBG Capital Project Fund	Total
Assets			
Cash & Cash Equivalents	\$ 168,199	\$ 80	\$ 168,279
Taxes Receivable:			
Public Utility Franchise Taxes	8,864	-	8,864
Due From Other Governments:			
Louisiana Beer Tax Distribution	400	-	400
Sales Tax	17,685	-	17,685
Due From State - LCDBG	-	12,959	12,959
Due From Other Funds	19,760	-	19,760
Other Receivables	24	-	24
Total Assets	<u>\$ 214,932</u>	<u>\$ 13,039</u>	<u>\$ 227,971</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	\$ 10,108	\$ 12,959	\$ 23,067
Other Accrued Expenses	14,766	-	14,766
Due to Utility Fund	44,030	80	44,110
Accrued Salary	736	-	736
Accrued Vacation	2,778	-	2,778
Total Liabilities	<u>72,418</u>	<u>13,039</u>	<u>85,457</u>
Fund Balance:			
Unreserved	142,514	-	142,514
Total Fund Balance	<u>142,514</u>	<u>-</u>	<u>142,514</u>
Total Liabilities and Fund Balance	<u>\$ 214,932</u>	<u>\$ 13,039</u>	<u>\$ 227,971</u>

The accompanying notes are an integral part of this financial statement.

Village of Albany, Louisiana

Statement D

**Reconciliation of the Governmental Funds Balance Sheet to
the Statement of Net Assets
June 30, 2006**

Fund Balances, Governmental Funds, Statement C	\$	142,514
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Amounts reported for governmental activities in the statement of net assets
are different because:

Capital assets used in governmental activities are not financial resources and
therefore are not reported in the governmental funds. These assets consist of:

Capital assets, net of depreciation	309,625
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Net Assets, Governmental Activities, Statement A	\$	<u>452,139</u>
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The accompanying notes are an integral part of this financial statement.

Village of Albany, Louisiana

Statement E

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2006**

	General Fund	LCDBG Capital Project Fund	Total
Revenues			
Taxes	\$ 221,801	\$ -	\$ 221,801
Licenses and Permits	61,331	-	61,331
Intergovernmental	8,772	-	8,772
Fines	22,330	-	22,330
Rental Income	4,223	-	4,223
Interest Income	3,869	-	3,869
Miscellaneous	501	-	501
Police Grants	1,080	-	1,080
Rural Development Grant	15,000	-	15,000
Insurance Settlement-Katrina	8,445	-	8,445
FEMA Reimbursements	28,670	-	28,670
State Grass Cutting Contract	2,093	-	2,093
LCDBG Grant Revenue	-	60,790	60,790
Total Revenues	<u>378,115</u>	<u>60,790</u>	<u>438,905</u>
Expenditures			
General and Administrative	172,496	-	172,496
Police Department	116,181	-	116,181
Street Department	36,343	-	36,343
LCDBG Grant	-	60,790	60,790
Total Expenditures	<u>325,020</u>	<u>60,790</u>	<u>385,810</u>
Other Financing Sources (Uses)			
Operating Transfer In - Sewer	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>53,095</u>	<u>-</u>	<u>53,095</u>
Fund Balances, Beginning of Year	89,419	-	89,419
Fund Balances, Ending	<u>\$ 142,514</u>	<u>\$ -</u>	<u>\$ 142,514</u>

The accompanying notes are an integral part of this financial statement.

Village of Albany, Louisiana

Statement F

**Reconciliation of the Change in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2006**

Net Change in Fund Balances, Governmental Funds, Statement E \$ 53,095

Amounts reported for governmental activities in the statement of activities
are different because:

Capital outlays are reported in governmental funds as expenditures. However
in the statement of activities, the cost of these assets is allocated over their
estimated useful lives as depreciation expense. These differences consist of:

Capital outlay	63,586	
Depreciation expense	<u>-25,454</u>	38,132
Transfer Capital Expenditures to Utility Fund		-760,445

Change in Net Assets, Governmental Activities, Statement B \$ -669,218

The accompanying notes are an integral part of this financial statement.

Village of Albany, Louisiana

Statement G

Statement of Net Assets
Proprietary Fund
June 30, 2006

Assets	Enterprise Fund
Current Assets:	
Cash & Cash Equivalents	\$ 169,870
Accounts Receivable, Net	68,857
Due From Other Funds	44,110
Total Current Assets	<u>282,837</u>
Restricted Assets:	
Bond and Interest Redemption Fund	38,191
Bond Reserve Fund	139,064
Bond Depreciation and Contingency Fund	79,952
Customer Deposits	87,193
Total Restricted Assets	<u>344,400</u>
Property, Plant, and Equipment	
Land	50,429
Buildings	35,430
Utility Plant, in Service	5,022,104
Vehicles	21,854
Office Equipment	32,362
Machinery and Equipment	54,331
Accumulated Depreciation	<u>-1,859,490</u>
Net Property, Plant, and Equipment	<u>3,357,020</u>
Total Assets	<u>\$ 3,984,257</u>

(Continued)

The accompanying notes are an integral part of this financial statement.

Village of Albany, Louisiana

Statement G

Statement of Net Assets
Proprietary Fund
June 30, 2006

Liabilities	Enterprise Fund
Current Liabilities (Payable From Current Assets):	
Accounts Payable	\$ 28,887
Accrued Vacation Payable	757
Accrued Salary Payable	644
Accrued Interest Payable	16,536
Other Accrued Expenses	93
Revenue Bonds Payable	28,919
Due to Other Funds	19,761
Due To DHH	326
Total Current Liabilities (Payable From Current Assets)	<u>95,923</u>
Current Liabilities (Payable From Restricted Assets):	
Customer Deposits Payable	<u>75,063</u>
Total Current Liabilities (Payable From Restricted Assets)	<u>75,063</u>
Long-Term Liabilities:	
Revenue Bonds Payable	<u>1,161,326</u>
Total Long-Term Liabilities	<u>1,161,326</u>
Total Liabilities	<u>1,332,312</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	2,166,775
Restricted for Debt Service	269,337
Unrestricted	<u>215,833</u>
Total Net Assets	<u>\$ 2,651,945</u>

(Concluded)

The accompanying notes are an integral part of this financial statement.

Village of Albany, Louisiana

Statement H

Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2006

	Enterprise Fund
Operating Revenues	
Water Sales	\$ 337,745
Service Connections	17,995
Penalties	9,341
DHH Fees	413
Sewer Charges	106,557
Service Connections	380
Water Miscellaneous Income	35
Interest Revenue	19,309
Total Operating Revenues	<u>491,775</u>
Operating Expenses	
Salaries	78,592
Advertising	120
Bad Debt Expense	22
Computer Expense	480
Contract Services	30,856
Depreciation	133,777
Education/Certification	1,208
Grass Cutting	1,270
Health Insurance	8,405
Insurance	16,354
Internet	126
Janitorial Services	3,780
Maintenance Materials	36,546
Maintenance - Water Tank	5,780
Meter Reading	0
Miscellaneous	151
Office Supplies and Expense	10,269
Other Nonoperating Expense	78
Payroll Taxes	5,966
Per Diem	2,350
Pest Control	160
Postage	5,158
Professional Services	33,131

(Continued)

The accompanying notes are an integral part of this financial statement.

Village of Albany, Louisiana

Statement H

Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2006

	Enterprise Fund
Pump Repairs	\$ 13,856
Repairs & Maintenance	19,037
Retirement	1,450
Truck Expense	12,914
Uniform Rental	1,533
Utilities- Telephone	8,651
Utilities- Gas	5,774
Utilities- Electricity	46,702
Total Operating Expenses	<u>484,496</u>
Operating Income (Loss)	<u>7,279</u>
Nonoperating Revenues (Expenses)	
Bond Interest Expense	-66,109
FEMA Reimbursements	42,102
Total Nonoperating Revenues (Expenses)	<u>-24,007</u>
Operating Transfers In (Out)	
Operating Transfer Out - LCDBG	760,445
Total Operating Transfers Out	<u>760,445</u>
Change in Net Assets	<u>743,717</u>
Net Assets, Beginning	
Before Prior Period Adjustment	1,923,900
Prior Period Adjustment (Note 19)	<u>-15,672</u>
Net Assets, Beginning	
After Prior Period Adjustment	1,908,228
Net Assets, Ending	<u>\$ 2,651,945</u>

(Concluded)

The accompanying notes are an integral part of this financial statement.

Village of Albany, Louisiana

Statement I

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2006

	Enterprise Fund
Cash Flows From Operating Activities	
Received From Customers	\$ 447,038
Received for Meter Deposit Fees	8,975
Receipts (Payments) for Interfund Services	-27,383
Payments for Operations	-240,697
Payments to Employees	-86,670
Net Cash Provided (Used) by Operating Activities	<u>101,263</u>
Cash Flows From Capital and Related Financing Activities	
Paid for Capital Acquisitions	-43,702
FEMA Receipts	42,102
Principal Repayments, Revenue Bonds Payable	-33,459
Interest Payments - Revenue Bonds Payable	-66,109
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-101,168</u>
Cash Flows From Investing Activities	
Interest Income	<u>19,309</u>
Net Cash Provided (Used) by Investing Activities	<u>19,309</u>
Net Increase (Decrease) in Cash	19,404
Cash, Beginning of Year	<u>494,866</u>
Cash, End of Year	<u>\$ 514,270</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets	
Cash and Cash Equivalents, Unrestricted	\$ 169,870
Cash and Cash Equivalents, Restricted	<u>344,400</u>
Total Cash and Cash Equivalents	<u>\$ 514,270</u>

(Continued)

The accompanying notes are an integral part of this financial statement.

Village of Albany, Louisiana

Statement I

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2006

	Enterprise Fund
Reconciliation of Net Operating Income (Loss) to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ -16,728
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided (Used) by Operating Activities:	
Depreciation	133,777
Change in Accounts Receivable	-20,404
Change in Accounts Payable	24,024
Change in Accrued Vacation	-138
Change in Accrued Salary	-524
Change in Accrued Expenses	-10
Change in Due to Other Funds	16,321
Change in Due From Other Funds	-44,030
Change in Customer Deposits	8,975
Net Cash Provided (Used) by Operating Activities	\$ 101,263

(Concluded)

The accompanying notes are an integral part of this financial statement.

Basic Financial Statements

Notes to the Financial Statements

Village of Albany, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2006

Introduction

The Village of Albany, Louisiana was incorporated October 7, 1953, under the provisions of the Lawrason Act (LSA-RS33:321). The Village operates under a Mayor/Board of Aldermen form of government. The Mayor and each of three aldermen are elected at large for four-year terms. The Mayor and Aldermen are compensated per diem for each meeting attended; in addition, the Mayor receives a salary. The Village is located approximately 30 miles east of Baton Rouge, Louisiana, on LA Highway 43 (Montpelier Avenue) north of Interstate 12, with U.S. Highway 190 intersecting the northern part of the Village. The Village's total population is 865, as reported by the U.S. Census Bureau, Census 2000. The Village provides police protection, services to maintain and develop streets, drainage, and sanitation, general and administrative services, and utilities services for area residents. The Village provides water, services to 1,372 water customers, and 356 sewer customers inside and outside of the Village limits. The Village employs 6 full-time employees in addition to the Mayor and Board of Aldermen.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. There are no other component units which the Village of Albany has an oversight relationship.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

Village of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2006

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Village reports the following major governmental funds:

The *General Fund* is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

The *Capital Project Fund* accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

The Village reports the following major proprietary funds:

The *Enterprise Fund* accounts for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Village of Albany, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2006

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the governments enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are user charges for the services provided by the enterprise funds. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Village's investment policy allow the Village to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool and mutual funds consisting solely of government-backed securities.

Investments for the Village, as well as for its component units, are reported at fair market value. The state investment pool, LAMP, operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Village of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2006

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General Corporate Purposes	6.65	6.65	None

Sales Taxes are levied at one percent. The proceeds of this sales and use tax are dedicated to general corporate purposes.

E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Restricted Assets

Certain proceeds of the Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable debt covenants.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

Village of Albany, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2006

The Village elected early implementation of GASB 34 in the fiscal year ending June 30, 2002. However, as a Phase III government (a government with annual revenues of less than \$10 million), the Village elected not to retroactively report infrastructure assets prior to implementation. Historically, a government's largest group of assets, infrastructure assets (roads, bridges, street lighting, etc.) have not been reported nor depreciated in governmental financial statements. Beginning with the fiscal year ended June 30, 2002, these assets are now valued and reported within the governmental activities column of the government-wide financial statements.

The cost of normal maintenance and repairs that does not add to the value of the assets or materially extend their lives is not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line basis over the following useful lives:

Buildings	20 - 40 Years
Improvements	20 - 40 Years
Vehicles and Equipment	5 - 15 Years
Infrastructure	20 - 40 Years
Water Utility System	20 - 40 Years
Sewer Utility System	20 - 40 Years

H. Compensated Absences

The Village has the following policy relating to vacation and sick leave:

Each employee with one (1) year of service earns five (5) days of vacation leave; each employee with five (5) years of service earns ten (10) days of vacation leave; each employee with ten (10) years of service earns fifteen (15) days of vacation leave; each employee with fifteen (15) years of service earns twenty (20) days of vacation leave; each employee with twenty (20) years of service earns twenty-five (25) days of vacation leave; employees with twenty-five (25) years of service earns the maximum thirty (30) days of vacation leave. The Village employees are required to take all accrued vacation leave earned before December 31, of each year except those employees with ten or more years of service who may be paid up to a maximum of ten days of accrued vacation leave.

Each employee earns sick leave at the rate of 5/12 day for each month worked. Sick leave is accumulated for an indefinite period with a maximum sick leave of twenty-five (25) days.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental fund when leave is taken.

In accordance with GASB-16, *Accounting for Compensated Absences*, no liability has been accrued for unused employee sick leave.

Village of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2006

I. Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

L. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the municipality, which are either unusual in nature or infrequent in occurrence.

M. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

N. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

Village of Albany, Louisiana
Notes to the Financial Statements
As of and for the Year Ended June 30, 2006

2. Stewardship, Compliance and Accountability

The Village uses the following budget practices:

1. The Village Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving the increase in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the general and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

3. Cash and Cash Equivalents

At June 30, 2006, the Village has cash and cash equivalents (book balances) totaling \$682,549 as follows:

Cash on Hand	\$ 25
Interest-Bearing Demand Deposits	307,325
Time Deposits	308,691
Louisiana Asset Management Pool	66,508
	<u>\$ 682,549</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Village of Albany, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2006

At June 30, 2006, the Village has a total of \$619,125 in collected bank balances. The total of \$619,125, consists of \$308,691 in time deposits and \$310,434 in demand deposits. The time deposits totaling \$308,691 are secured from risk by \$100,000 of federal deposit insurance and \$208,691 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The demand deposits of \$310,434 are secured from risk by \$100,000 of federal deposit insurance and \$210,434 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

4. Investments

Investments are categorized into these three categories of credit risk:

1) Insured or registered, or securities held by the Village or its agent in the Village's name, 2) uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Village's name, or 3) uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Village's name.

All investments held by the Village fall into category I credit risk, defined as "insured or registered, or securities held by the Village of Albany or its agent in the Village of Albany's name." In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are carried at fair market value, with the estimated fair market value based on quoted market prices.

At fiscal year-end, the Village's investment balances were as follows:

	Carrying Amount	Fair Value
Louisiana Asset Management Pool	\$ 66,508	\$ 66,508

In accordance with GASB Codification Section 150.165, the investment in LAMP at June 30, 2006, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPAs. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

Village of Albany, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2006**

5. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based upon historical trends and the period aging and write-off of accounts receivable. Major receivables balances for the governmental activities include sales taxes, franchise taxes, occupational licenses, fines, and grants. Business-type activities report utilities earnings as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise taxes, occupational licenses, fines, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded only if paid within 60 days since they would be considered both measurable and available. Proprietary fund revenues consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable.

The General Fund receivables at June 30, 2006 consist of the following:

Taxes:

Public Utility Franchise	\$	8,864
Sales and Use		17,685

Intergovernmental:

State of Louisiana, Beer Tax Distribution		400
	\$	<u>26,949</u>

The LCDBG Capital Projects Fund recorded an additional \$12,959 due in LCDBG grant revenues at June 30, 2006.

The Enterprise Fund accounts receivable at June 30, 2005 consist of the following:

Current	\$	51,498
31 - 60 Days		2,495
61 - 90 Days		596
Over 90 Days		<u>1,546</u>
Subtotal		56,135
Less Allowance for Bad Debt		<u>2,500</u>
Accounts Receivables, Net		53,635
Accrued Billings		<u>15,222</u>
	\$	<u>68,857</u>

Village of Albany, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2006**

6. Interfund Receivables/Payables

The following is a detailed list of interfund balances reported in the fund financial statements on June 30, 2006:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 19,761	\$ 44,030
Enterprise Fund	44,110	19,761
Capital Project Fund	-	80
	<u>\$ 63,871</u>	<u>\$ 63,871</u>

The reason for the interfund receivables/payables balances are that Enterprise Fund payroll expenses are paid through the General Fund. The Enterprise Fund also paid one half of the purchase price of the land and building purchased.

7. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2006 for governmental activities is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 10,350	\$ -	\$ -	\$ 10,350
Total Capital Assets Not Being Depreciated	<u>10,350</u>	<u>-</u>	<u>-</u>	<u>10,350</u>
Capital Assets Being Depreciated:				
Buildings	93,650	-	-	93,650
Improvements	20,070	868	-	20,938
Vehicles and Equipment	96,588	1,928	-	98,516
Sidewalks	196,194	-	-	196,194
Total Capital Assets Being Depreciated	<u>406,502</u>	<u>2,796</u>	<u>-</u>	<u>409,298</u>
Less Accumulated Depreciation for:				
Buildings	9,952	2,341	-	12,293
Improvements	4,112	505	-	4,617
Vehicles and Equipment	54,866	12,798	-	67,664
Sidewalks	15,639	9,810	-	25,449
Total Accumulated Depreciation	<u>84,569</u>	<u>25,454</u>	<u>-</u>	<u>110,023</u>
Capital Assets Being Depreciated, Net	<u>321,933</u>	<u>-22,658</u>	<u>-</u>	<u>299,275</u>
Governmental Activities Capital Assets, Net	<u>\$ 332,283</u>	<u>\$ -22,658</u>	<u>\$ -</u>	<u>\$ 309,625</u>

Depreciation was charged to governmental functions as follows:

General Administration	\$ 3,421
Police Protection	12,223
Street Department	9,810
	<u>\$ 25,454</u>

Village of Albany, Louisiana

Notes to the Financial Statements **As of and for the Year Ended June 30, 2006**

Capital assets and depreciation activity as of and for the year ended June 30, 2006 for business-type activities is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 50,429	\$ -	\$ -	\$ 50,429
Total Capital Assets Not Being Depreciated	<u>50,429</u>	<u>-</u>	<u>-</u>	<u>50,429</u>
Capital Assets Being Depreciated:				
Buildings	34,480	950	-	35,430
Vehicles and Equipment	108,547	-	-	108,547
Water Utility System	1,115,089	781,949	-	1,897,038
Sewer Utility System	<u>3,103,817</u>	<u>21,249</u>	<u>-</u>	<u>3,125,066</u>
Total Capital Assets Being Depreciated	<u>4,361,933</u>	<u>804,148</u>	<u>-</u>	<u>5,166,081</u>
Less Accumulated Depreciation for:				
Buildings	24,423	1,764	-	26,187
Vehicles and Equipment	100,550	7,097	-	107,647
Water Utility System	589,158	30,353	-	619,511
Sewer Utility System	<u>1,011,583</u>	<u>94,562</u>	<u>-</u>	<u>1,106,145</u>
Total Accumulated Depreciation	<u>1,725,714</u>	<u>133,776</u>	<u>-</u>	<u>1,859,490</u>
Capital Assets Being Depreciated, Net	<u>2,636,219</u>	<u>670,372</u>	<u>-</u>	<u>3,306,591</u>
Business-Type Activities Capital Assets, Net	<u>\$ 2,686,648</u>	<u>\$ 670,372</u>	<u>\$ -</u>	<u>\$ 3,357,020</u>

8. Construction in Progress

The Village of Albany was awarded a Louisiana Community Development Block Grant for water system improvements involving the construction of a municipal water well and waterlines to increase the capacity of water pressure to the entire Albany Water Distribution System. For the fiscal year ending June 30 2006, the project was completed with LCDBG and local funds at a total cost of \$760,445.

9. Pension Plans

The Village of Albany, Louisiana participates in a Simple IRA Retirement Plan administered by Edward Jones. The plan covers employees who are reasonably expected to earn five thousand dollars in compensation for the calendar year. The Village will contribute a matching contribution of 3 percent of each employee's annual income. Retirement expense for the year ended June 30, 2006 was \$3,661 for the General Fund and \$1,450 for the Utility Fund.

Village of Albany, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2006**

10. Accounts, Salaries, and Other Payables

The payables of \$85,482 at June 30, 2006 are as follows:

	General Fund	Capital Project Fund	Proprietary Fund	Total
Accounts	\$ 7,326	\$ 12,959	\$ 28,887	\$ 49,172
Salaries	736	-	644	1,380
Vacation	2,778	-	757	3,535
Withholdings	14,766	-	-	14,766
Sales Tax	-	-	93	93
Accrued Interest	-	-	16,536	16,536
	<u>\$ 25,606</u>	<u>\$ 12,959</u>	<u>\$ 46,917</u>	<u>\$ 85,482</u>

11. Short-Term Debt

The Village had no short-term debt outstanding at June 30, 2006, other than current maturities of bonds and capital lease disclosed in *Footnote 12 - Long Term Obligations*.

12. Long-Term Obligations

The following is a summary of long-term obligation transactions for business-type activities for the year ended June 30, 2006:

	Revenue Bonds
Beginning Balance	\$ 1,223,704
Increases	-
Decreases	33,459
Ending Balance	<u>\$ 1,190,245</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of the long-term obligations:

	Revenue Bonds
Current Portion	\$ 28,919
Long-Term Portion	1,161,326
	<u>\$ 1,190,245</u>

Village of Albany, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2006**

As of June 30, 2006, outstanding revenue bond issues are as follows:

	<u>Principal Outstanding</u>
Water System Revenue Bonds - RUS Bonds 91-01: \$523,000 utility bonds sold to Rural Utility Service (RUS) dated 4/4/78, due in annual installments of \$5,000-\$29,000 through August 1, 2017; interest at 5%	\$ 273,000
Water System Revenue Bonds - RUS Bonds 91-02: \$575,000 water revenue bonds sold to Rural Utility Service (RUS) dated 2/25/88, due in annual installments of \$37,277 over a 40 year period; interest at 5 3/4%	457,412
Sewer System Revenue Bonds - RUS Bonds 92-03: \$455,000 sewer revenue bonds sold to Rural Utility Service (RUS) dated 4/13/93, due in monthly installments of \$2,289 through April 13, 2033; interest at 5 1/4%	394,333
Sewer System Revenue Bonds - RUS Bonds 92-05: \$75,000 sewer revenue bonds sold to Rural Utility Service (RUS) dated 4/13/93, due in monthly installments of \$377 through April 13, 2033; interest at 5 1/4%	65,500
	<u>\$ 1,190,245</u>

The annual requirements to amortize all debt outstanding at June 30, 2006, including interest payments of \$869,900 are as follows:

	<u>RUS Bonds 91-01</u>	<u>RUS Bonds 91-02</u>	<u>RUS Bonds 92-03</u>	<u>RUS Bonds 92-05</u>	<u>Total</u>
2007	\$ 30,225	\$ 37,277	\$ 27,464	\$ 4,527	\$ 99,493
2008	30,350	37,277	27,464	4,527	99,618
2009	30,425	37,277	27,464	4,527	99,693
2010	30,450	37,277	27,464	4,527	99,718
2011	30,425	37,277	27,464	4,527	99,693
2012 - 2016	169,875	186,385	137,320	22,635	516,215
2017 - 2021	59,875	186,385	137,320	22,635	406,215
2022 - 2026	-	186,385	137,320	22,635	346,340
2027 - 2031	-	74,554	137,320	22,635	234,509
2032 - 2033	-	-	50,351	8,300	58,651
	<u>\$ 381,625</u>	<u>\$ 820,094</u>	<u>\$ 736,951</u>	<u>\$ 121,475</u>	<u>\$ 2,060,145</u>

Village of Albany, Louisiana

Notes to the Financial Statements As of and for the Year Ended June 30, 2006

13. Interfund Transfers

The following is a detailed list of interfund transfers reported in the fund financial statements on June 30, 2006:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 760,445	\$ -
Enterprise Fund	-	760,445
	<u>\$ 760,445</u>	<u>\$ 760,445</u>

The reason for the interfund transfer is to pay for water system improvement costs related to the Louisiana Community Development Block Grant.

14. Flow of Funds and Restrictions on Use - Utilities Revenues

Long-term debt as of June 30, 2006 consists of four utility revenue bonds as described in *Footnote 12 - Long - Term Obligations*. The terms and details of each revenue bond issue are described below.

The voters of the Village of Albany, Louisiana originally approved the issuance of \$530,000 Utility Revenue Bonds in an election held May 7, 1977. The governing authority subsequently adopted resolutions on July 12, 1977, August 9, 1977, and January 5, 1978, authorizing issuance of \$523,000 of Utility Revenue Bonds. The proceeds of the bonds were restricted for use in acquiring through purchase, improvement and construction of a waterworks system and subject to the provisions of the above referenced resolutions. In connection with the project, the Village was approved for grants from Rural Utility Service (RUS) of the United States of America in the amount of \$356,500. The Village sold \$523,000 of the authorized bonds to Rural Utility Service. The bonds were issued for forty(40) years payable with interest at the rate of five percent (5%) per annum. The bonds and any installment may be paid prior to the due date and maturity thereof at a price of par and accrued interest to the date of prepayment.

A resolution authorizing the issuance of \$575,000 of Water Revenue Bonds of the Village of Albany, Louisiana, State of Louisiana, to acquire and construct improvements and extensions to the waterworks system of the Village was adopted December 14, 1987. The bonds were sold to Rural Utility Service (RUS) at the authorized issue amount of \$575,000 and are due in forty(40) annual payments with interest calculated on unpaid principal at a rate of five and three-fourths percent (5 3/4%) per annum. The Village may prepay the whole or any part of the principal amount of any installment at any time in inverse chronological order at the principal amount thereof and accrued interest to the date fixed for prepayment.

A resolution authorizing the issuance of \$530,000 of Sewer Revenue Bonds of the Village of Albany, Louisiana, State of Louisiana, for the improvement and construction of a sewerage system of the Village was adopted October 14, 1991. The bonds were sold to Rural Utility Service (RUS) at separate revenue bond issue amounts of \$455,000 and \$75,000 (totaling \$530,000) and are due in monthly installments of \$2,666 (\$2,289 for the \$455,000 bonds and \$377 for the \$75,000 bonds) for forty(40) years with interest at a rate of five and one-fourth percent (5 1/4%) per annum. The Village may repay the whole or any part of the principal amount at any time. Under the terms of the bond proceeds to the Village, the revenue bonds are payable as to principal and interest solely from the income and revenues derived from the operation of the combined utility system of the Village after provision has been made for payment of the reasonable and necessary expenses of administering, operating,

Village of Albany, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2006**

and maintaining the system. These bonds do not constitute an indebtedness or pledge of the general credit of the Village within the meaning of any constitutional or statutory limitation of indebtedness.

Provisions of the utility revenue bonds require deposit of funds on a monthly basis to provide additional security for payment of bond sinking fund installments and to provide a reserve for system repairs and enhancements. Requirements and funding of these reserves are as follows:

Each month there will be set aside into a fund called "Bond and Interest Sinking (Redemption) Fund" a sum equal to one-twelfth (1/12) of the interest due on the next interest payment due, and, in addition, a sum equal to one-twelfth (1/12) of the principal payment due, together with such proportionate sum as may be required as the same respectfully become due on such date. Money in the Sinking Funds shall be deposited as Trust Funds and shall be fully sufficient to assure the prompt payment of the principal and interest installments as they become due, and may be used only for such payments. As of June 30, 2006, the Sinking Fund account balance was \$38,191, and was fully funded.

There shall also be set aside into a "Utility System Bond Reserve Fund" a sum equal to five percent (5%) of the monthly bond payment, or \$418 after the construction becomes revenue producing until there is accumulated therein an amount equal to the highest annual debt service payment in any future year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund as to which there would otherwise be default. As of June 30, 2006, the Reserve Fund was over funded by \$21,071 with a balance maintained of \$139,064.

Funds will also be set into a "Depreciation and Contingency Fund" after completion of the project at the rate of \$485 per month until the balance in this fund amounts to the maximum required by RUS. Money in this fund will be used for making extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition, enhance its revenue-producing capacity, or provide for a higher degree of service for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for the other bond funds. During the fiscal year ending June 30, 2006, only 10 of 12 of the Depreciation and Contingency Fund payments of \$485 were made. However, the interest earned exceeded the two payments of \$485, and the account was fully funded at June 30, 2006, with a balance of \$79,952.

All the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

15. Reserved and Designated Fund Balances/Net Assets

Within the General Fund unreserved fund balance, the Village of Albany designated \$22,000 received from the sale of the old town hall, toward the future construction of a community center in Albany.

At June 30, 2006, the proprietary fund had restricted net assets of \$269,337, representing the Village's funds restricted by revenue bond debt covenants and contracts with customers for meter deposits, net of the related liability.

Village of Albany, Louisiana

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2006**

16. Risk Management

The Village is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Village purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Village's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

17. On-Behalf Payments for Fringe Benefits and Salaries

During the year ended June 30, 2006, the Village received the following on-behalf payments, which were recorded as revenues when received and expenditures when the cost was incurred:

State Supplemental Pay, Police	\$ <u>7,200</u>
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18. Litigation

There is no outstanding litigation as of June 30, 2006.

19. Prior Period Adjustments

A prior period adjustment of \$15,672 was made to correct the beginning accounts receivable balance for Business-Type Activities Net Assets.

<u>Date</u>	<u>Description</u>	<u>Amount</u>
6/30/05	Net Assets Balance, Before Prior Period Adjustment	\$ 1,923,900
	Prior Period Adjustment:	
6/30/05	- Correct Accounts Receivable Balance	(15,672)
6/30/05	Net Assets Balance, After Prior Period Adjustment	<u>\$ 1,908,228</u>

Required Supplemental Information (Part II)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund

Village of Albany, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

General Fund

For the Year Ended June 30, 2006

Revenues	Budgeted Amounts		Actual Amounts: GAAP Basis	Variance with Final Budget: Favorable (Unfavorable)
	Original	Final		
Taxes:				
Sales and Use Taxes	\$ 128,200	\$ 154,400	\$ 161,619	\$ 7,219
Ad Valorem Taxes	24,700	24,700	24,634	-66
Public Utility Franchise Taxes	36,100	34,600	35,548	948
Licenses and Permits:				
Business Licenses and Permits	55,700	54,200	54,424	224
Building Permits	-	-	6,907	6,907
Intergovernmental:				
Louisiana Beer Tax Distribution	1,300	1,110	1,572	462
State Supplemental Pay	7,200	7,200	7,200	-
Fines	37,700	22,500	22,330	-170
Rental Income	6,000	4,200	4,223	23
Interest Income	900	3,600	3,869	269
Miscellaneous	1,400	500	501	1
Police Grants	8,500	1,080	1,080	-
Rural Development Grant	15,000	-	15,000	15,000
Insurance Settlement-Katrina	-	8,445	8,445	-
FEMA Reimbursements	-	27,487	28,670	1,183
State Grass Cutting Contract	-	-	2,093	2,093
Other Grants	2,200	-	-	-
Total Revenues	324,900	344,022	378,115	34,093

(Continued)

Village of Albany, Louisiana

Schedule 1

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2006**

Expenditures	Budgeted Amounts		Actual Amounts: GAAP Basis	Variance with Final Budget: Favorable (Unfavorable)
	Original	Final		
General and Administrative:				
Salaries - Mayor and Aldermen	\$ 16,900	\$ 16,900	\$ 16,360	\$ 540
Clerical Salaries	41,100	51,000	51,739	-739
Salaries - Witness Fees	-	-	550	-550
Advertising	900	900	265	635
Bank Charges	100	100	-	100
Building Inspector	1,900	3,000	150	2,850
Building and Grounds Maintenance	1,100	6,500	6,000	500
Conferences	900	1,800	1,680	120
Contract Labor	100	-	-	-
Coroner	300	1,100	1,050	50
Dues, Subscriptions and Meetings	800	2,000	1,961	39
Feeding and Housing Prisoners	200	300	241	59
Gasoline - All Departments	9,800	9,800	10,806	-1,006
Health Insurance	5,700	9,500	9,340	160
Insurance and Bonds	17,500	18,800	17,243	1,557
Internet	300	100	80	20
Janitorial Salary	1,000	1,800	1,824	-24
Janitorial Services	-	500	104	396
Miscellaneous	4,800	800	1,114	-314
Office Supplies and Postage	2,900	1,400	957	443
Payroll Taxes - All Departments	12,400	12,460	12,555	-95
Professional Services	20,900	20,400	22,424	-2,024
Retirement	1,600	1,700	1,732	-32
Summer Youth Salaries	1,500	800	759	41
Tax Roll	500	500	-	500
Unemployment Insurance	400	400	285	115
Utilities and Telephone	700	1,000	658	342
Workers Compensation	10,400	11,300	12,619	-1,319
Capital Outlay	2,100	2,100	-	2,100
Total General and Administrative	<u>156,800</u>	<u>176,960</u>	<u>172,496</u>	<u>4,464</u>

(Continued)

Village of Albany, Louisiana

Schedule 1

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

General Fund

For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts: GAAP Basis</u>	<u>Variance with Final Budget: Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Public Safety:				
Police Department:				
Salaries	76,100	75,000	81,533	-6,533
Salaries - Supplemental Pay	7,200	7,200	7,200	-
Auto Expense	11,300	12,100	11,289	811
Conferences	2,000	2,000	1,744	256
Health Insurance	4,000	2,000	2,046	-46
Other Police Expense	5,900	6,400	2,600	3,800
Retirement	1,600	1,900	1,929	-29
Supplies	2,600	600	1,737	-1,137
Telephone	3,200	4,400	4,175	225
Capital Outlay	5,000	5,000	1,928	3,072
Total Police Department	<u>118,900</u>	<u>116,600</u>	<u>116,181</u>	<u>419</u>
 Street Department:				
Electricity	\$ 13,700	\$ 14,700	\$ 14,340	\$ 360
Material & Supplies	2,200	2,500	2,230	270
Sanitation Collection Fee	1,200	1,600	1,317	283
Street Other Expense	-	1,700	1,306	394
Truck & Equipment Expense	-	2,000	1,044	956
Street Repair & Overlay	20,000	1,000	15,000	-14,000
Animal Control	-	500	238	262
Capital Outlay-Streets	-	200	868	-668
Total Street Department	<u>37,100</u>	<u>24,200</u>	<u>36,343</u>	<u>-12,143</u>
Total Expenditures	<u>312,800</u>	<u>317,760</u>	<u>325,020</u>	<u>-7,260</u>
 Excess Revenues (Expenditures)	<u>12,100</u>	<u>26,262</u>	<u>53,095</u>	<u>26,833</u>
 Other Financing Sources (Uses)				
Operating Transfers (Out) In	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net Change in Fund Balance	<u>12,100</u>	<u>26,262</u>	<u>53,095</u>	<u>26,833</u>
 Fund Balance, Beginning of Year	112,138	88,738	89,419	681
 Fund Balance, End of Year	<u>\$ 124,238</u>	<u>\$ 115,000</u>	<u>\$ 142,514</u>	<u>\$ 27,514</u>

(Concluded)

Other Supplemental Information

Village of Albany, Louisiana

Schedule 2

Comparative Schedule of Net Assets
Proprietary Fund Type
June 30, 2006 and 2005

Assets	Enterprise Fund	
	2006	2005
Current Assets:		
Cash & Cash Equivalents	\$ 169,870	\$ 131,833
Accounts Receivable, Net	68,857	58,831
Due From Other Funds	44,110	80
Total Current Assets	<u>282,837</u>	<u>190,744</u>
Restricted Assets:		
Bond and Interest Redemption Fund	38,191	13,932
Bond Reserve Fund	139,064	163,840
Bond Depreciation and Contingency Fund	79,952	107,417
Customer Deposits	87,193	77,844
Total Restricted Assets	<u>344,400</u>	<u>363,033</u>
Property, Plant, and Equipment		
Land	50,429	50,429
Buildings	35,430	34,480
Utility Plant, in Service	5,022,104	4,218,907
Vehicles	21,854	21,854
Office Equipment	32,362	32,362
Machinery and Equipment	54,331	54,331
Accumulated Depreciation	-1,859,490	-1,725,714
Net Property, Plant, and Equipment	<u>3,357,020</u>	<u>2,686,649</u>
Total Assets	<u>3,984,257</u>	<u>3,240,426</u>

(Continued)

Village of Albany, Louisiana

Schedule 2

Comparative Schedule of Net Assets
Proprietary Fund Type
June 30, 2006 and 2005

	Enterprise Fund	
	2006	2005
Liabilities		
Current Liabilities (Payable From Current Assets):		
Accounts Payable	\$ 28,887	\$ 4,863
Accrued Vacation Payable	757	895
Accrued Salary Payable	644	1,168
Accrued Interest Payable	16,536	16,285
Other Accrued Expenses	93	83
Revenue Bonds Payable	28,919	33,320
Due To Other Funds	19,761	3,440
Due To DHH	326	-
Total Current Liabilities (Payable From Current Assets)	<u>95,923</u>	<u>60,054</u>
Current Liabilities (Payable From Restricted Assets):		
Customer Deposits Payable	<u>75,063</u>	<u>66,088</u>
Total Current Liabilities (Payable From Restricted Assets)	<u>75,063</u>	<u>66,088</u>
Long-Term Liabilities:		
Revenue Bonds Payable	<u>1,161,326</u>	<u>1,190,384</u>
Total Long-Term Liabilities	<u>1,161,326</u>	<u>1,190,384</u>
Total Liabilities	<u>1,332,312</u>	<u>1,316,526</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	2,166,775	1,462,945
Restricted for Debt Service	269,337	296,945
Unrestricted	<u>215,833</u>	<u>164,010</u>
Total Net Assets	<u>\$ 2,651,945</u>	<u>\$ 1,923,900</u>

(Concluded)

Village of Albany, Louisiana

Schedule 3

Comparative Schedule of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund Type
For the Years Ended June 30, 2006 and 2005

	Enterprise Fund	
	2006	2005
Operating Revenues		
Water Sales	\$ 337,745	\$ 305,134
Service Connections	17,995	12,665
Penalties	9,341	9,442
DHH Fee	413	4,059
Sewer Charges	106,557	98,475
Service Connections	380	1,920
Water Miscellaneous Income	35	24
Interest Revenue	19,309	8,316
Total Operating Revenues	<u>491,775</u>	<u>440,035</u>
Operating Expenses		
Salaries	78,592	81,502
Advertising	120	24
Bad Debt Expense	22	1,292
Computer Expense	480	-
Contract Services	30,856	16,886
Depreciation	133,777	126,887
DHH Expense	-	3,111
Education/Certification	1,208	203
Grass Cutting	1,270	-
Health Insurance	8,405	7,609
Insurance	16,354	15,754
Internet	126	-
Janitorial Services	3,780	4,680
Maintenance Materials	36,546	18,566
Maintenance - Water Tank	5,780	7,811
Meter Reading	0	6,204
Miscellaneous	151	322
Office Supplies and Expense	10,269	10,128
Other Nonoperating Expense	78	-
Payroll Taxes	5,966	5,471
Per diem	2,350	3,350
Pest Control	160	-
Postage	5,158	4,303
Professional Services	33,131	20,156

(Continued)

Village of Albany, Louisiana

Schedule 3

Comparative Schedule of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund Type
For the Years Ended June 30, 2006 and 2005

	Enterprise Fund	
	2006	2005
Pump Repairs	\$ 13,856	\$ 5,976
Repairs & Maintenance	19,037	12,812
Retirement	1,450	1,232
Truck Expense	12,914	12,684
Uniform Rental	1,533	1,353
Utilities- Telephone	8,651	6,816
Utilities- Gas	5,774	989
Utilities- Electricity	46,702	35,453
Total Operating Expenses	<u>484,496</u>	<u>411,574</u>
Operating Income (Loss)	<u>7,279</u>	<u>28,461</u>
Nonoperating Revenues (Expenses)		
Miscellaneous Expense	-	-78
FEMA Reimbursements	42,102	-
Bond Interest Expense	-66,109	-66,491
Total Nonoperating Revenues (Expenses)	<u>-24,007</u>	<u>-66,569</u>
Income (Loss) Before Transfers	<u>-16,728</u>	<u>-38,108</u>
Transfers		
Operating Transfer In - LCDBG	760,445	-12,700
Total Operating Transfers In	<u>760,445</u>	<u>-12,700</u>
Change in Net Assets	743,717	-50,808
Net Assets, Beginning		
Before Prior Period Adjustment	1,923,900	1,974,708
Prior Period Adjustment (Note 19)	<u>-15,672</u>	<u>-</u>
Net Assets, Beginning		
After Prior Period Adjustment	<u>1,908,228</u>	<u>1,974,708</u>
Net Assets, Ending	\$ <u>2,651,945</u>	\$ <u>1,923,900</u>

(Concluded)

Village of Albany, Louisiana

Schedule 4

Comparative Schedule of Cash Flows
Proprietary Fund Type
For the Years Ended June 30, 2006 and 2005

	Enterprise Fund	
	2006	2005
Cash Flows From Operating Activities		
Received From Customers	\$ 447,038	\$ 435,669
Received for Meter Deposit Fees	8,975	2,623
Receipts (Payments) for Interfund Services	-27,383	8,192
Payments for Operations	-240,697	-200,444
Payments to Employees	-86,670	-87,371
Net Cash Provided (Used) by Operating Activities	<u>101,263</u>	<u>158,669</u>
Cash Flows From Noncapital Financing Activities		
Payments for Non-Operating Expenses	-	-78
Transfers From (To) Other Funds	-	-12,700
Net Cash Provided (Used) by Noncapital Financing Activities:	<u>-</u>	<u>-12,778</u>
Cash Flows From Capital and Related Financing Activities		
Paid for Capital Acquisitions	-43,702	-46,912
FEMA Receipts	42,102	-
Principal Repayments, Revenue Bonds Payable	-33,459	-32,079
Principal Repayments, Capital Lease Payable	-	-2,025
Interest Payments - Revenue Bonds Payable	-66,109	-66,491
Net Cash Used by Capital and Related Financing Activities	<u>-101,168</u>	<u>-147,507</u>
Cash Flows From Investing Activities		
Interest Income	19,309	-
Net Cash Provided (Used) by Investing Activities	<u>19,309</u>	<u>-</u>
Net Increase (Decrease) in Cash	19,404	-1,616
Cash, Beginning of Year	494,866	496,482
Cash, End of Year	<u>\$ 514,270</u>	<u>\$ 494,866</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets		
Cash and Cash Equivalents, Unrestricted	\$ 169,870	\$ 131,833
Cash and Cash Equivalents, Restricted	344,400	363,033
Total Cash and Cash Equivalents	<u>\$ 514,270</u>	<u>\$ 494,866</u>

(Continued)

Village of Albany, Louisiana

Schedule 4

Comparative Schedule of Cash Flows
Proprietary Fund Type
For the Years Ended June 30, 2006 and 2005

	Enterprise Fund	
	2006	2005
Reconciliation of Net Operating Income (Loss) to Net Cash		
Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ -16,728	\$ 28,461
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation	133,777	126,887
Change in Accounts Receivable	-20,404	-4,366
Change in Accounts Payable	24,024	-4,655
Change in Accrued Vacation	-138	190
Change in Accrued Salary	-524	644
Change in Accrued Expenses	-10	693
Change in Due to Other Funds	16,321	3,440
Change in Due From Other Funds	-44,030	4,752
Change in Customer Deposits	8,975	2,623
Net Cash Provided (Used) by Operating Activities	\$ 101,263	\$ 158,669

(Concluded)

Village of Albany, Louisiana

Schedule 5

Combining Schedule of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund Type - Utility Funds
For the Year Ended June 30, 2006

	Water Utility System	Sewer Utility System	Total
Operating Revenues			
Water Sales	\$ 337,745	\$ -	\$ 337,745
Service Connections	17,995	-	17,995
Penalties	9,341	-	9,341
Sewer Charges	-	106,557	106,557
Service Connections	-	380	380
DHH Fees	413	-	413
Miscellaneous Income	35	-	35
Interest Revenue	19,309	-	19,309
Total Operating Revenues	<u>384,838</u>	<u>106,937</u>	<u>491,775</u>
Operating Expenses			
Salaries	45,175	33,417	78,592
Advertising	120	-	120
Bad Debt Expense	11	11	22
Computer Expense	480	-	480
Contract Services	30,036	820	30,856
Depreciation	34,784	98,993	133,777
Education/Certification	1,178	30	1,208
Grass Cutting	550	720	1,270
Health Insurance	8,405	-	8,405
Insurance	8,177	8,177	16,354
Internet	126	-	126
Janitorial Services	3,780	-	3,780
Maintenance Materials	31,270	5,276	36,546
Maintenance - Water Tank	5,780	-	5,780
Meter Reading	-	-	0
Miscellaneous	151	-	151
Office Supplies and Expense	9,926	343	10,269
Other Nonoperating Expense	78	-	78
Payroll Taxes	2,983	2,983	5,966
Per diem	2,350	-	2,350
Pest Control	160	-	160
Postage	5,158	-	5,158
Professional Services	16,570	16,561	33,131

(Continued)

Village of Albany, Louisiana

Schedule 5

Combining Schedule of Revenues, Expenses, and Changes in Net Assets
Proprietary Fund Type - Utility Funds
For the Year Ended June 30, 2006

	Water Utility System	Sewer Utility System	Total
Pump Repairs	\$ 1,803	\$ 12,053	\$ 13,856
Repairs & Maintenance	7,504	11,533	19,037
Retirement	733	717	1,450
Truck Expense	12,301	613	12,914
Uniform Rental	1,533	-	1,533
Utilities- Telephone	8,651	-	8,651
Utilities- Gas	5,774	-	5,774
Utilities- Electricity	26,078	20,624	46,702
Total Operating Expenses	<u>271,625</u>	<u>212,871</u>	<u>484,496</u>
Operating Income (Loss)	<u>113,213</u>	<u>-105,934</u>	<u>7,279</u>
Nonoperating Revenues (Expenses)			
FEMA Reimbursements	18,872	23,230	42,102
Bond Interest Expense	<u>-35,969</u>	<u>-30,140</u>	<u>-66,109</u>
Total Nonoperating Revenues (Expenses)	<u>-17,097</u>	<u>-6,910</u>	<u>-24,007</u>
Operating Transfers In (Out)			
Operating Transfer In - LCDBG	<u>760,445</u>	<u>-</u>	<u>760,445</u>
Total Operating Transfers In	<u>760,445</u>	<u>-</u>	<u>760,445</u>
Change in Net Assets	\$ <u>856,561</u>	\$ <u>-112,844</u>	<u>743,717</u>
Net Assets, Beginning			
Before Prior Period Adjustment			1,923,900
Prior Period Adjustment (Note 19)			<u>-15,672</u>
Net Assets, Beginning			
After Prior Period Adjustment			<u>1,908,228</u>
Net Assets, Ending			\$ <u>2,651,945</u>

(Concluded)

Village of Albany, Louisiana

Schedule 6

Schedule of Revenues, Expenses, and Changes in Net Assets
Budget (GAAP Basis) and Actual
Proprietary Fund Type - Water Utility System
For the Year Ended June 30, 2006

	Budget	Actual	Variance: Favorable (Unfavorable)
Operating Revenues			
Water Sales	\$ 330,000	\$ 337,745	\$ 7,745
Service Connections	18,000	17,995	-5
Penalties	8,500	9,341	841
DHH Fee	1,000	413	-587
Miscellaneous	-	35	35
Interest Revenue	3,000	19,309	16,309
Total Operating Revenues	360,500	384,838	24,338
Operating Expenses			
Salaries	40,000	45,175	-5,175
Advertising	500	120	380
Bad Debt Expense	700	11	689
Computer Expense	1,600	480	1,120
Contract Services	25,300	30,036	-4,736
Depreciation	39,000	34,784	4,216
DHH Expense	4,800	-	4,800
Education/Certification	2,000	1,178	822
Grass Cutting	600	550	50
Health Insurance	8,600	8,405	195
Insurance	8,900	8,177	723
Internet	200	126	74
Janitorial Service	3,600	3,780	-180
Maintenance Materials	30,000	31,270	-1,270
Maintenance Water Tank	9,300	5,780	3,520
Meter Reading	6,400	-	6,400
Miscellaneous	3,500	151	3,349
Office Supplies	10,000	9,926	74
Other Nonoperating Expense	700	78	622
Payroll Taxes	3,200	2,983	217
Per diem	3,400	2,350	1,050
Pest Control	200	160	40
Postage	5,300	5,158	142
Professional Services	14,100	16,570	-2,470
Pump Repairs	1,400	1,803	-403
Repairs & Maintenance	8,000	7,504	496
Retirement	800	733	67

(Continued)

Village of Albany, Louisiana

Schedule 6

Schedule of Revenues, Expenses, and Changes in Net Assets
Budget (GAAP Basis) and Actual
Proprietary Fund Type - Water Utility System
For the Year Ended June 30, 2006

	Budget	Actual	Variance: Favorable (Unfavorable)
Truck Expense	\$ 12,500	\$ 12,301	\$ 199
Uniform Rental	1,600	1,533	67
Utilities - Telephone	8,500	8,651	-151
Utilities - Gas	1,500	5,774	-4,274
Utilities - Electricity Office	4,600	1,975	2,625
Utilities - Electricity Well	23,000	24,103	-1,103
Total Operating Expenses	<u>283,800</u>	<u>271,625</u>	<u>12,175</u>
Operating Income (Loss)	<u>76,700</u>	<u>113,213</u>	<u>36,513</u>
FEMA Reimbursements	18,872	18,872	-
Bond Interest Expense	-42,600	-35,969	6,631
Total Nonoperating Revenues (Expenses)	<u>-23,728</u>	<u>-17,097</u>	<u>6,631</u>
Operating Transfers In (Out)			
Operating Transfer In - LCDBG	-	760,445	760,445
Total Operating Transfers In	<u>-</u>	<u>760,445</u>	<u>760,445</u>
Change in Net Assets	<u>\$ 52,972</u>	<u>\$ 856,561</u>	<u>\$ 803,589</u>

(Concluded)

Village of Albany, Louisiana

Schedule 7

Schedule of Revenues, Expenses, and Changes in Net Assets
Budget (GAAP Basis) and Actual
Proprietary Fund Type - Sewer Utility System
For the Year Ended June 30, 2006

	Budget	Actual	Variance: Favorable (Unfavorable)
Operating Revenues			
Sewer Charges	\$ 106,000	\$ 106,557	\$ 557
Service Connections	600	380	-220
Interest Revenue	3,300	-	-3,300
Total Operating Revenues	109,900	106,937	-2,963
Operating Expenses			
Salaries	40,400	33,417	6,983
Bad Debt	700	11	689
Contract Services	1,600	820	780
Depreciation	92,000	98,993	-6,993
Education/Certification	100	30	70
Grass Cutting	700	720	-20
Insurance	8,900	8,177	723
Maintenance Materials	6,500	5,276	1,224
Office Supplies & Expenses	1,400	343	1,057
Payroll Taxes	3,000	2,983	17
Professional Services	18,000	16,561	1,439
Pump Repairs	20,000	12,053	7,947
Repairs & Maintenance	11,200	11,533	-333
Retirement	700	717	-17
Telephone	1,800	-	1,800
Truck Expenses	700	613	87
Utilities	20,500	20,624	-124
Total Operating Expenses	228,200	212,871	15,329
Operating Income (Loss)	-118,300	-105,934	12,366
Nonoperating Revenues (Expenses)			
Bond Interest Expense	-25,000	-30,140	-5,140
FEMA Reimbursements	23,230	23,230	-
Total Nonoperating Revenues (Expenses)	-1,770	-6,910	-5,140
Change in Net Assets	\$ -120,070	\$ -112,844	\$ 7,226

Village of Albany, Louisiana

Schedule 8

Utility Rate Schedule
Proprietary Fund
June 30, 2006

Water Rates

Residential Inside City Limits:

\$11.50 per month for the first 2,500 gallons
\$1.30 per thousand or part thereof for the next 2,000 gallons
\$1.00 per thousand or part thereof for the next 6,000 gallons
\$.80 per thousand or part thereof for over 10,000 gallons

Residential Outside City Limits:

\$13.50 per month for the first 2,500 gallons
\$1.30 per thousand or part thereof for the next 2,000 gallons
\$1.00 per thousand or part thereof for the next 6,000 gallons
\$.80 per thousand or part thereof for over 10,000 gallons

Commercial:

\$25.00 per month for the first 10,000 gallons
\$.80 per thousand or part thereof over 10,000 gallons

Sewer Rates

Residential:

\$18.00 per month plus \$.80 per thousand gallons

Commercial:

\$20.00 per month plus \$.80 per thousand gallons

Schedule of Water and Sewer Customers
Proprietary Fund
June 30, 2006

Water Customers

Residential	1,328
Commercial	44
Total	<u>1,372</u>

Sewer Customers

Residential	335
Commercial	21
Total	<u>356</u>

Village of Albany, Louisiana

Schedule 9

**Schedule of Insurance
Year Ended June 30, 2006**

Insurance Company	Coverage	Amount	Period
St. Paul Fire and Marine Insurance Company Policy Number GP09312822	Commercial General Liability: General Total Limit Products & Completed Work Personal Injury Each Person Advertising Injury - Each Person	\$ 2,000,000 2,000,000 1,000,000 1,000,000	07/17/05 - 07/17/06
St. Paul Fire and Marine Insurance Company Policy Number GP09312822	Law Enforcement Liability: Total Limit Each Wrongful Act Deductible Per Wrongful Act	\$ 2,000,000 1,000,000 10,000	07/17/05 - 07/17/06
St. Paul Fire and Marine Insurance Company Policy Number GP09312822	Public Entity Mgmt. Liability: Total Limit Each Wrongful Act Deductible Per Wrongful Act	\$ 2,000,000 1,000,000 5,000	07/17/05 - 07/17/06
St. Paul Fire and Marine Insurance Company Policy Number GP09312822	Business Auto: Liability Limit Uninsured Motorists	\$ 1,000,000 1,000,000	07/17/05 - 07/17/06
	(Comprehensive & Collision coverage as scheduled)		
St. Paul Fire and Marine Insurance Company Policy Number GP09312822	Commercial Property: Buildings Personal Property Inland Marine	\$ 311,250 74,578 13,000	07/17/05- 07/17/06
Risk Management, Inc. Policy Number WC-153	Workers' Compensation	\$ Statutory Limits	01/01/05- 01/01/06
CNA Surety Policy Number 01507681	Fidelity Bond	\$ 5,000	10/15/05 - 10/15/06

Village of Albany, Louisiana

Schedule 10

**Schedule of Per Diem Payments
Year Ended June 30, 2006**

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature:

	<u>Compensation Received</u>
Thomas Stewart, Mayor Post Office Box 1346 Albany, LA 70711 (225) 567-2714	\$ 7,240
Lloyd Martin, Alderman Post Office Box 146 Albany, LA 70711 (225) 567-2093	3,040
Gene Glasscock, Alderman Post Office Box 89 Albany, LA 70711 (225) 567-9486	3,040
Edmond Harris, Alderman Post Office Box 105 Albany, LA 70711 (225) 567-3133	3,040
	\$ <u>16,360</u>

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL STRUCTURE OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor Thomas Stewart
and Members of the Board of Aldermen
Village of Albany, Louisiana

I have audited the basic financial statements of the Village of Albany, Louisiana, as of and for the year ended June 30, 2005, and have issued my report thereon dated December 5, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of Albany, Louisiana's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Village of Albany, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the management of the Village of Albany, Louisiana, the Legislative Auditor, and the cognizant Federal Agency. However, this report is a matter of public record and its distribution is not limited.

Leroy J. Chustz

Certified Public Accountant, APAC
December 6, 2005

Village of Albany, Louisiana
Schedule of Findings and Questioned Costs
Year Ended June 30, 2006

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the Village of Albany, Louisiana.
2. No reportable conditions were disclosed during the audit of the basic financial statements.
3. No instances of noncompliance was disclosed during the audit of the basic financial statements.
4. There were no federal awards received by Village of Albany, Louisiana.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

None

C. COMPLIANCE AND INTERNAL CONTROL FINDINGS

None

D. FINDINGS - FEDERAL PROGRAMS

None

**Village of Albany, Louisiana
Status of Prior Audit Findings
For The Year Ended December 31, 2006**

There were no prior year findings.